

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

JAN 15 1997

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| In the Matter of               | ) |                      |
|                                | ) |                      |
| Implementation of the Pay      | ) |                      |
| Telephone Reclassification and | ) | CC Docket No. 96-128 |
| Compensation Provisions of the | ) |                      |
| Telecommunications Act of 1996 | ) |                      |
|                                | ) |                      |
| BellSouth Comparably Efficient | ) |                      |
| Interconnection Plan for       | ) |                      |
| Payphone Service Providers     | ) |                      |

AT&T'S REPLY COMMENTS ON BELL SOUTH'S  
COMPARABLY EFFICIENT INTERCONNECTION PLAN

Pursuant to the Commission's Public Notice released November 27, 1996,<sup>1</sup> AT&T Corp. ("AT&T") hereby submits these reply comments on BellSouth Telecommunications, Inc.'s ("BellSouth's") comparably efficient interconnection ("CEI") plan for payphone service providers.<sup>2</sup> Although only a few comments were submitted,<sup>3</sup>

<sup>1</sup> Pleading Cycle Established for Comments on BellSouth's Comparably Efficient Interconnection Plan for Payphone Service Providers, Public Notice, CC Docket No. 96-128, DA 96-2005, released November 27, 1996.

<sup>2</sup> The Commission required the Bell Operating Companies ("BOCs") to file CEI plans in Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, Report and Order, FCC 96-388, released September 20, 1996 ("Payphone Order"); and Order on Reconsideration, FCC 96-349, released November 8, 1996.

<sup>3</sup> Comments were filed by Inmate Calling Service Providers Coalition ("ICSPC"), American Public Communications Council ("APCC"), Oncor Communications, Inc. ("Oncor"), and AT&T.

all concur that BellSouth's CEI plan fails to set forth all the information required by the Payphone Order.<sup>4</sup>

Specifically, the CEI plan must demonstrate that BellSouth complies with the Computer III nonstructural separation requirements for the provision of payphone services,<sup>5</sup> and with the complementary statutory mandate that BellSouth "not subsidize its payphone service . . . from its telephone exchange service . . . ; and . . . not prefer or discriminate in favor of its payphone services."<sup>6</sup> The plan's deficiencies thus raise the very concerns that the CEI requirements are designed to avoid. The comments consequently establish that, unless clarified and modified, the plan cannot be approved.

For example, ICSPC concurs with AT&T (at 2-3) that BellSouth's CEI plan fails to explain what network support, if any, is being provided to BellSouth's inmate calling service. Indeed, ICSPC (p. 2) correctly describes the plan as "so vague with respect to inmate calling services that

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<sup>4</sup> Id. at paras. 199-207.

<sup>5</sup> See Amendment of Section 64.702 of the Commission's Rules and Regulations (Computer Inquiry III), Report and Order, 104 F.C.C.2d 958 (1986).

<sup>6</sup> Section 276(a) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, 47 U.S.C. § 276(a).

the Commission (and interested parties) cannot evaluate whether the Commission's nondiscrimination requirements will be met." Without a detailed description of BellSouth's inmate calling services, there is no way to ensure that BellSouth is not favoring its affiliated inmate payphones or disfavoring the inmate payphones of other providers. BellSouth must at a minimum set forth expressly in its CEI plan and tariffs the network-based functionalities for inmate payphones that are currently available to the BellSouth payphone entity (including, among other things, access to database services such as LIDB) and make them available on comparable terms to all payphone service providers.<sup>7</sup>

APCC also concurs<sup>8</sup> (at 13-14) that BellSouth must clarify whether and how BellSouth's SmartLine Services for

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<sup>7</sup> In addition, ICSPC states (at 2-3) that, based upon the cost structures of non-affiliated inmate service providers, BellSouth's rate ceilings for local and intraLATA calls from inmate institutions appear to be unreasonably low, and make it "impossible to operate profitably without . . . subsidies or discrimination." Accordingly, BellSouth's CEI plan must describe the safeguards that will ensure that BellSouth will not discriminate or subsidize its inmate payphone service affiliate. BellSouth's plan should also specify how customer information, including bad debt information, is provided to BellSouth's inmate payphone affiliate and how such information will be provided on a non-discriminatory basis to non-affiliates. See ICSPC at 15.

<sup>8</sup> See AT&T, pp. 3-4.

Public Telephone Access Service will be made available on a non-discriminatory basis to all payphone service providers.<sup>9</sup>

As APCC notes (at 14), if BellSouth is not required to disclose where its coin line service is unavailable, then BellSouth "would be in a position of providing coin line service to [its affiliate] while claiming that it is 'unavailable' to [independent payphone] providers."

Therefore, BellSouth should be required to amend its CEI plan to state expressly that SmartLine service will be available to non-BellSouth payphone service providers at every central office where such service is provided to BellSouth's payphone service affiliate.

Other similar concerns are also raised in the comments. For example, APCC states (p. 8) that BellSouth has failed to tariff "the basic payphone line" separately from network services and unbundled features. APCC's review of BellSouth's South Carolina tariff concludes (p. 9) that, based on the tariffed rates, there is "outrageous discrimination between [customer owned coin-operated telephone] service charges and coin line service charges." Consequently, APCC argues that, against all logic, BellSouth

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<sup>9</sup> See, e.g., BellSouth's tariff for Florida, Section A7.8.1.B., Original Page 13, attached as Appendix B to BellSouth's CEI plan.

is charging more for a "dumb" payphone line than for a "smart" line that includes more features and functions.<sup>10</sup>

APCC further notes (at 21-24) that BellSouth's CEI plan fails to address the Commission's requirement that LECs must provide transmission of codes that enable interexchange carriers to track payphone calls. Pursuant to the Reconsideration Order (para. 94), BellSouth must offer services "that provide a discrete code to identify payphones that are maintained by non-LEC providers." This feature is critical to implementing per-call compensation, and BellSouth's CEI plan should provide detail on the types of codes it will offer to identify BellSouth payphones and the payphones of non-affiliated providers. Whatever codes BellSouth chooses to use, those codes should be transmitted for both SmartLine service and non-SmartLine service, in order to prevent discrimination between users of the different services.<sup>11</sup>

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<sup>10</sup> BellSouth's CEI plan should include a detailed description of how it will provide service order processing, installation, maintenance and repair service. See APCC at 16-20.

<sup>11</sup> In any event, whatever codes are used, the Reconsideration Order (para. 64) precludes BellSouth from requiring an interexchange carrier to perform an additional look-up in order to track payphone calls.

Finally, Oncor correctly points out (at 3-7) that BellSouth's CEI plan does not address how BellSouth will ensure that the primary interexchange carrier ("PIC") selection process for payphones will be performed in a non-discriminatory manner. As BellSouth becomes both a provider of interexchange services and the administrator of the PIC selection process, it is imperative that its CEI plan describe adequate and appropriate safeguards to ensure fairness in that process.

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For the reasons stated above and in AT&T's initial comments, before BellSouth's CEI plan can be approved, BellSouth should be required to appropriately modify or clarify its plan consistent with the comments herein.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, Rena Martens, do hereby certify that on this 15th day of January, 1997, a copy of the foregoing "AT&T's Reply Comments on BellSouth's Comparably Efficient Interconnection Plan" was mailed by U.S. first class mail, postage prepaid, to the following parties:

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